

City of Cincinnati



Mark Mallory
Mayor

To: Members of Council

From: Mayor Mark Mallory

Date: November 20, 2006

Copies To: City Manager Milton Dohoney, Jr.

Subject: Mayor's Recommendations on the Proposed 2007/2008 Biennial Budget

As per the City of Cincinnati Charter, these comments and recommendations along with the attached budget documents are the formal transmittal of the proposed 2007/2008 City of Cincinnati Budget.

Developing the city budget is one of the most important responsibilities that we have as Cincinnati's elected leaders. The budget outlines our core priorities, and therefore defines our vision for the direction in which we want to take this city. The budget that I am recommending focuses on priorities that will strengthen and grow Cincinnati.

The best way to grow our city is by investing in our people. Cincinnati is blessed with many resources; however, the citizens of Cincinnati are our greatest resource. My pride in the people of Cincinnati was reaffirmed during a public forum in which 550 citizens attended and spoke passionately about the future of Cincinnati. The views expressed at the forum helped me develop my budget recommendations.

Under severe fiscal constraints, the City Manager has proposed a balanced budget that incorporates the policy directives adopted by City Council. The recommended budget also invests in priority areas that the City Manager calls the "Core of Excellence" – public safety, basic city services, economic development, and housing.

I support the Manager's strategy of investment in core areas of excellence. However, in order to have a budget that is balanced in terms of both dollars and priorities, we must invest in additional areas that will strengthen and grow Cincinnati. I am asking Council to adopt a budget that invests in people and focuses on the following priorities: Public Safety, Youth Employment, Recreation, Neighborhood Development, the Arts, Human Services, Economic Development, and Good Government.

MAYOR'S RECCOMENDED PRIORITIES

Public Safety

City Council unanimously stated that public safety should be our number one policy priority, and I agree. The City Manager's recommended budget invests extensively in the area of public safety, including hiring 65 new police officers, investing \$1.5 million for strategic overtime producing the equivalent of 28 additional officers, and investing \$1.2 million in "Take Back Our Streets" overtime funding producing the equivalent of 22 additional officers. I support these initiatives designed to improve safety in our neighborhoods by increasing overall police presence on our streets by a total of 115 officers.

In addition to these public safety investments, I propose two additional investments. First, I recommend appropriating \$100,000 for Operation Ceasefire. This additional funding will improve the effectiveness and impact of the program. Second, I recommend the restoration of the \$55,000 cut to the Cincinnati Human Relations Commission (CHRC). I further recommend appropriating an additional \$20,000 for the CHRC Street Worker and Community Relations Monitor Programs. Both programs are model crime prevention strategies that have been successful in making our community safer. These are the types of programs we need to cultivate to produce lasting change in our city.

Youth Employment

Too often our youth do not have access to jobs. By investing in youth employment, we give young people opportunities and we invest in their future. That is why I propose to invest \$500,000 in a youth jobs program. The program would have two components: \$380,000 to be administered by the city, and \$120,000 to be administered by ArtWorks, for a youth artist mural program. This investment will make a significant impact on the quality of life our community.

Recreation – Pools and Community Centers

I recommend restoring the \$380,000 to keep 13 pools open, \$160,000 to keep open the Community Centers in Camp Washington and Carthage, and \$50,000 for the maintenance of those facilities. Further, I propose maintaining the City Manager's proposal for expanded hours at community centers and an expanded season for city pools. The combined investments in recreation will create an added opportunity for all youth and citizens to participate in positive community activities.

Neighborhoods

The Neighborhood Support Program (NSP) is an important funding mechanism for the city's community councils. The Manager's recommended budget reduced funding for each community council from \$7,000 to \$5,580 per year. I propose restoring the cuts to the NSP funding and adding an additional \$1,000 for each community council, bringing the total to \$8,000 per year.

To pay for this initiative, I recommend eliminating the two additional staff members budgeted for my office and the associated funding for those positions. While it is clear that the workload in the Mayor's Office requires additional staff to better serve the needs of citizens, I do not think that it is appropriate given the city's current financial constraints. Therefore, I am recommending that the Mayor's Office be maintained at the 2006 level with standard cost of living increases only.

The Arts

Cincinnati's Arts Community is one of the great assets of our city. We must continue to invest in our assets. Failure to do so would send a disastrous message. Therefore, I am proposing restoring the \$433,210 cut to the Arts Grants Program, and the \$600,000 cut in capital funding for Music Hall, the Museum Center at Union Terminal, and the Cincinnati Art Museum. The City owns these landmark buildings and we must ensure that they are properly maintained.

To pay for the capital funding, I am proposing transferring \$600,000 from the Fleet Services. I am committed to working with the City Manager to take an in depth look at our fleet operations through City Hall Works. I am confident that we will be able to produce efficiencies and savings to offset this transfer.

Human Services

Historically, the City of Cincinnati has allocated 1.5% of the General Fund to Human Services. In June, City Council passed a resolution in support of including this policy in the budget. While I also support funding Human Services at 1.5 %, the fiscal constraints of the city budget do not allow us to return to that level at this time.

I recommend funding the 2007 Human Services budget at the 2006 level of \$2,446,010 rather than the proposed \$1 million level. The Human Services budget provides funding for vital programs and services throughout the city that serve as a safety net for citizens, such as battered women's shelters, drug addiction treatment, and homelessness intervention. These programs make Cincinnati a healthier and safer place to live.

Economic Development

Last year, we increased our investment in the Cincinnati Film Commission in the 2006 continuation budget and that investment has paid off. A major motion picture is scheduled to begin production in Cincinnati early next year. According to the Film Commission, the total economic impact of the film will be \$9.8 million for the 50 scheduled production days – that amounts to \$197,000 in spending each day of production. The movie production will also bring an incredible amount of energy to the city. I can think of few investments in economic development that can produce such dramatic results. The proposed budget eliminated funding for the Cincinnati Film Commission. I am proposing restoring \$150,000 to the Cincinnati Film Commission to continue the support of such a quality investment in economic development.

I fully support the City Manager's recommendation to invest \$6 million in strategic economic development, housing and demolition. These investments will create energy

and opportunity in our city that will fuel further growth. For this same reason, I support the Manager's recommendation to fully staff the Economic Development Division.

Good Government

I propose allocating \$80,000 to the Internal Audit Division to add staff and increase audit capacity, which will result in more efficient government and lower long term costs.

Expenditures

In order to invest in my recommended priorities that do not have an otherwise identified funding source, I am proposing maintaining the current investment in the Cincinnati Retirement System (CRS) at a 17% rate. While this is a reduction from the City Manager's budget proposal to increase the investment to 21.77%, it will realize a savings of \$3,354,770. The 17% plan continues the 2006 strategy of aggressive investment to work toward fully fund the CRS. That strategy has significantly helped our retirement system. I remain committed to fully funding the retirement system.

PRIORITIES CURRENTLY IN THE RECOMMENDED BUDGET

In addition to the above proposals and investments, there are several other items in the City Manager's recommended budget that I enthusiastically support. I have mentioned my support for the investments in public safety, economic development, and housing. I also support the investments in core services such as snow removal, trash collection, and improvements to the permitting process.

Office of Environmental Quality

The recommended budget includes the creation of the Office of Environmental Quality (OEQ) with three positions in the Health Department. While I would like to see the OEQ expanded in the future so that it can have a greater impact, I am pleased that the budget takes this important first step. However, I recommend that the OEQ report directly to the City Manager. Elevating this function demonstrates the high level of importance the city places on coordinating our efforts on environmental issues.

Planning Department

I also strongly support the re-establishment of the Department of City Planning. As with the OEQ, I am pleased that this department was able to be re-established without significant new expenditures. As we look to our continued growth, a new Department of City Planning will help develop a vision to reach our long term goals of neighborhood and downtown development. The department will also bring increased coordination among various city departments and projects to further promote economic and community development.

CONCERNS

In my recommendations, I have been able to address many of the concerns that I had with the recommended budget. There are still some areas that I would like to see addressed as the budget process moves forward.

Heath Department

Chief among my remaining concerns is the proposal to close one of the city's five health clinics. Closing a health clinic will have a devastating effect on the health and vitality of our community. It will also put tremendous strain on the other clinics as well as our nationally acclaimed hospital system. The Health Commissioner has committed to work with the City Manager to identify efficiencies, cost savings, and outside grants to develop a plan that would prevent the closure of a health clinic. I am optimistic that a workable strategy will emerge. However, if a plan cannot be established, I am committed to working with Council and the Administration to identify the funding to maintain all of our health clinics.

Recycling

I am concerned about the reduction of recycling collection from weekly to biweekly. Recycling is an extremely important program that should be continued if possible.

CONCLUSION

I want to thank the City Manager and all of the city staff who helped to create this proposed budget. While I obviously do not agree with everything in the proposed budget, the City Manager has done exactly what we brought him here to do: make tough choices and provide visionary leadership to the city.

This is a challenging budget and we have to make some very difficult decisions. The budget process is an opportunity for us to work together and set a course for the future of our city. I am confident that we can develop a balanced budget that will maximize our city services, improve public safety, and invest in our citizens.

I look forward to working with you over the next month to develop a budget that will strengthen and grow our city and make our residents proud. Cincinnati is a great city with tremendous potential. By working together in the spirit of collaboration, we can build on our momentum and lead Cincinnati to a brighter future.